

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015 / 2016 SESSION

DEC5038 – ENTERPRENUERSHIP

(Diploma Students Only)

08 MARCH 2016
9.00 am – 11.00 am
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **TEN (10)** pages only excluding the cover page.
2. Answer **ALL** questions for section A, B and C.

Section A: 40 Multiple Choices Questions (40 marks)

Section B: 20 True/False Questions (20 marks)

Section C: 4 Short Structured Questions (40 marks)

3. Answers for section A and B should be shaded on the OMR sheet provided.
4. For section C, please write your answers in the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (EACH QUESTION 1 MARK).
Answer for this section should be shaded on OMR sheet provided.

1. In addition to the opportunity to create their own destiny and enjoy what they do, entrepreneurs also benefit from the ability to _____.
 - A. earn tremendous wealth without risk and uncertainty
 - B. make a difference in an area important to them and be recognized for those efforts
 - C. create wealth without providing true value
 - D. exploit the opportunities that the free enterprise system offers
2. Entrepreneur couples who work together as co-owners of their business are referred to _____.
 - A. dual entrepreneurs
 - B. corporate casts-off
 - C. corporate dropouts
 - D. copreneurs
3. Small companies that operate globally from their inception are referred to as _____.
 - A. micro multinational
 - B. entrepreneurial ventures
 - C. global companies
 - D. international companies
4. The majority of small companies are concentrated in the _____ and _____ industries.
 - A. manufacturing; service
 - B. retail; service
 - C. manufacturing; retail
 - D. retail; wholesale
5. _____ lateral thinking is somewhat unconventional and unstructured.
 - A. Left-brained
 - B. Right-brained
 - C. Systematic
 - D. Logical
6. Which stage of creative process includes on-the-job training?
 - A. Illumination.
 - B. Verification.
 - C. Implementation.
 - D. Preparation.

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7. Any distinctive word, phrase, symbol, name, or logo a firm uses to distinguish itself or its products is called _____.
A. patent
B. copyright
C. service mark
D. trademark
8. Strength and weaknesses are _____ to the organization.
A. external factors
B. factors not belonging
C. internal factors
D. internal or external factors
9. Which of the following is **TRUE** about cost-leadership strategy?
A. Enables companies to concentrate on a niche within the overall market.
B. Built on differences among market segments.
C. Works best when buyers primary purchase criterion is price.
D. Be comprehensive and well integrated.
10. A small company follow a _____ strategy seeks to build customer loyalty by positioning its goods and services in a unique fashion.
A. differentiation
B. focus
C. niche
D. alliance
11. The primary purpose of a business plan is to _____.
A. attract lenders and investors
B. guide a company by charting its future course and devising strategy for success
C. enable an entrepreneur to take her company public
D. meet SEC and other legal requirements designed to protect lenders and investors
12. The 'three' tests that associated with business plan are _____, _____, and _____.
A. reality; competitive; value
B. value; reality; profitability
C. reality; value; competitive
D. competitive; profitability; value

Continued.....

13. _____ is an original functional model of a new product that entrepreneurs can put into the hands of potential customers so that they can see it, test it, and use it.
- A. Feasibility
 - B. Research
 - C. Analysis
 - D. Prototypes
14. Which of the following below are **NOT** the key elements of a business plan?
- A. Tittle page and table of content.
 - B. Executive summary.
 - C. Mission statement.
 - D. Description of law of business.
15. Which of the following is required to form a partnership?
- A. A limited partner.
 - B. A general partner.
 - C. A secret partner.
 - D. A silent partner.
16. A _____ partner is a person who not active in a business but are generally known to be members of the partnership.
- A. dormant
 - B. limited
 - C. silent
 - D. general
17. Which of the following is the disadvantages of the corporation form of ownership?
- A. An inability to accumulate capital.
 - B. The unlimited liability to the members of the board.
 - C. Double taxations on profits.
 - D. Lack of continuity.
18. McDonald's is an example of a _____ franchise.
- A. pure
 - B. conversion forms
 - C. trade name
 - D. product distribution

Continued.....

19. _____ is a franchise trend in which owners of independent businesses become franchisees to gain the advantage of name recognition.
- A. Area development
 - B. Conversion franchising
 - C. Master franchise
 - D. Cobranding
20. Burger King recently set up several small franchises in nontraditional locations such as hospital, an airport, a subway station and sports arena. These locations are based on the principle of _____.
- A. diversionary
 - B. Intercept marketing
 - C. Multi-unit franchising
 - D. Sub franchising
21. Which of the following is **NOT** included in the myths of franchising?
- A. All franchises are the same.
 - B. Anyone can be satisfied.
 - C. The bigger the franchise, the more successful will be.
 - D. Franchising is the expensive way to get into business for yourself.
22. Guerilla marketing is a marketing approach that takes an unconventional, low-cost and creative approach to marketing that can give _____ a competitive edge over _____ competitors.
- A. small companies; larger
 - B. larger companies; smaller
 - C. small companies, entrepreneurial
 - D. entrepreneur; small
23. _____ referring to the specific group of customers at whom a company aims its goods and services.
- A. Target market
 - B. Market segmentation
 - C. Niche marketing
 - D. Guerilla marketing

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24. Alice has decided to conduct market research to assist in making informed decisions for her small businesses. What is the first step in the market research process that Alice should do?
- A. Collect data.
 - B. Define the objectives.
 - C. Design the research.
 - D. Determine the relevant information.
25. Facebook, LinkedIn, and Twitter are examples of _____.
- A. blogging
 - B. social media marketing
 - C. web sites
 - D. online advertising
26. All of the following represent benefits of selling on the web **EXCEPT**?
- A. Opportunity to increase revenues.
 - B. Power to educate and inform.
 - C. Ability to advertise in a cheaper media form.
 - D. Ability to remain open 24 hours a day.
27. The entrepreneurs who are proving to be the most successful in e-commerce are those who know _____.
- A. how technology works inside and out
 - B. how to turn of the profit
 - C. how their industries works inside and out
 - D. how to effectively finance their e-commerce effort
28. _____ is the percentage of visitors to a site who view a single page and leave without viewing other pages.
- A. Web analysis
 - B. Conversion ratio
 - C. Bounce rate
 - D. Cart abandonment rate
29. All of the following below are considered as web security **EXCEPT**?
- A. Virus detection software.
 - B. Firewall.
 - C. Charger backs.
 - D. Visitor's detection software.

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30. Which of the following is **NOT** the goal of introducing a new product?
- A. Getting the product accepted.
 - B. Earning profit.
 - C. Maintaining market shares as competition grows.
 - D. Diversify product line.
31. Which of the following business would be most likely to offer installment credit to its customers?
- A. A retailer of major appliances.
 - B. A convenience store.
 - C. A clothing retailer.
 - D. A printer.
32. _____ is fail to consider competitors prices appropriately.
- A. Cost-plus pricing
 - B. Odd pricing
 - C. Bundling
 - D. Leader pricing
33. The fee that banks collect from retailer whenever customers use a credit or a debit card to pay for a purchase is known as _____.
- A. chargeback fee
 - B. interchange fee
 - C. processing fee
 - D. installment fee
34. _____ represents the personal investment of the owner in the business.
- A. Equity capital
 - B. Debt capital
 - C. Personal savings
 - D. Equity financing
35. Which of the following represent the large single source of external equity capital for small business?
- A. Venture capitalist.
 - B. Stock market.
 - C. Angles.
 - D. Partners.

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36. Below are the disadvantages of "Going Public" EXCEPT?
- A. Loss of control.
 - B. Loss of privacy.
 - C. Using stock for acquisitions.
 - D. Filling expenses.
37. The most common type of commercial bank loan granted to small business is the _____.
- A. line of credit agreement
 - B. short term loan
 - C. floor planning
 - D. unsecured term loan
38. _____ is a transaction in which a company selling goods and services in a foreign market agrees to help promote investment and trade in that country.
- A. Foreign licensing
 - B. Countertrading
 - C. Exporting
 - D. Bartering
39. The final step in creating a sound export strategy is to _____.
- A. collect your money
 - B. find your customer
 - C. ship your goods
 - D. find financing
40. The _____ of a nation includes the belief, values, views, and more that its inhabitants share.
- A. political atmosphere
 - B. tariffs
 - C. culture
 - D. free trade area

[TOTAL 40 MARKS]

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SECTION B: TRUE AND FALSE (EACH QUESTION 1 MARKS). Answer ALL questions. Answers should be shaded on OMR sheet.

Mark A for the TRUE statement and B for the FALSE statement.

41. Social entrepreneurs use their skills to create a profitable business that is designed to achieve social and environmental goals.
42. Small companies created fewer jobs than big companies in the last decade.
43. Verifications refer to validating the idea as accurate and useful.
44. A copyright is an exclusive right that protects the creators of original works such as literary, dramatic, musical and artistic works.
45. A company mission's statement should be lengthy and use fancy jargon to impress outsiders.
46. The quality of entrepreneur's business plan determines the first impression potential lenders and investors have of the company.
47. Benefit is what a customer gains from the product or service feature.
48. The sole proprietorship is the best form of ownership for entrepreneurs launching their first business.
49. In a partnership, profit and losses must be shared according to the ratio of capital originally invested in the partnership.
50. The failure rate for franchises is below that for other types of new businesses.
51. It is illegal for a franchiser to require franchisees to purchased products only from approved suppliers.
52. Census data, trade publications and magazines are the secondary source of market research data.
53. Selling is the process of communicating a company's unique selling proposition to its target customers in a consistent and integrated manner.
54. The amount of time the average person spends online is more than a person spends watching television.

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55. The goal of creating a web site is to create a design in which customers see themselves when they visit.
56. One key to setting prices properly is based on understanding a company's buying power.
57. Markup is the difference between the cost of a product or services and its selling price.
58. A term loan is based on past operating history and a firm's high probability of repayment.
59. Banks prefer to make loan to business start-ups because although the risk level is higher, the potential returns are also much higher.
60. A tariff is a limit on the amount of a product imported into a country.

[TOTAL 20 MARKS]

SECTION C: STRUCTURED QUESTIONS (TOTAL 40 MARKS). Answer ALL questions. Answers should be written in the answer booklet provided.

QUESTION 1

- a. Define Entrepreneur. (2 Marks)
- b. List **FOUR (4)** benefits of entrepreneurship. (4 Marks)
- c. Briefly explain about Creativity and Innovation in entrepreneurship point of view. (4 Marks)

QUESTION 2

- a. Define Strategic Management. (2 Marks)
- b. List the **NINE (9)** steps of strategic management process. (9 Marks)

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QUESTION 3

Mr. Ahmad is pondering on starting a franchise Halal Mart mini market in his housing area. He seeks an advice from you on running a franchise business.

- a. What are the advantages of franchising business to a franchisee? Justify any **THREE (3)** of it to Mr. Ahmad. (6 Marks)
- b. Identify any **THREE (3)** of the right way for Mr. Ahmad to buy a franchise. (3 Marks)

QUESTION 4

Jackson graduated from Multimedia University two years ago with a Bachelor Degree in Business Administration. He is currently working as a junior executive in one of the local company. Due to the uncertainty of the position in the company, Jackson is seriously considering to start his own business venture.

- a. Advise Jackson on the **TWO (2)** alternatives that he can consider to starting venturing into business. (2 Marks)
- b. List any **FOUR (4)** strategies that Jackson can implement for going global. (4 Marks)
- c. State and explain any **TWO (2)** barriers of international trade that Jackson should be aware for his future business. (4 Marks)

[TOTAL 40 MARKS]

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